the Freeman

Ideas on Liberty

DECEMBER 1984

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Who Is to Blame?

FREEDOM is seldom lost by a direct vote on the subject. In our case, it just seems to be *seeping* away. The Bill of Rights still exists on paper, but the *spirit* that caused it to be written is disappearing. When that spirit is completely gone, the written words will mean nothing.

Thus it behooves us to inquire why that spirit is now weak, and how it can be revived. No one person is responsible for sapping that spirit of individualism. No one political party is to blame. The people are as responsible as the elected and appointed leaders. It is we the people who seem to have forgotten that freedom and responsibility are inseparable. It is we the people who are discarding the concept of government that brought forth the Declaration of Independence, the Constitution, and the Bill of Rights.

In short, few of us seem to want to keep government out of our personal affairs and responsibilities. Many of us seem to favor various types of government-guaranteed and compulsory "security." We *say* that we want personal freedom, but we *demand* government housing, government price controls, government-guaranteed jobs and wages. We *boast* that we are responsible persons, but we *vote* for candidates who promise us special privileges, government pensions, government subsidies, and government electricity.

Such schemes are directly contrary to the spirit of the Bill of Rights. Our heritage is being lost more through weakness than through deliberate design. The Bill of Rights still shines in all its splendor, but many of us are looking in another direction. Many of us are drifting back to that old concept of government that our forefathers feared and rejected. Many of us are now looking to government for security. Many of us are no longer willing to accept individual responsibility for our own welfare. Yet personal freedom cannot exist without individual responsibility.

—*Dean Russell,* 1948

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Dennis L. Peterson

Education: State Coercion or Free Choice

A FRIEND and I were discussing the pros and cons of the recently-defeated school prayer amendment when our conversation shifted to problems in the American educational system. I suggested that the root of the problems lay in the system's public nature and that education should be strictly private.

This prospect visibly shocked my friend, so I suggested he sit down before he heard my next proposition. "Education in America," I postulated, "should be not only a private, nonpublic function but also strictly voluntary."

My friend sat down abruptly, mouth agape. "What!?" he cried out in protest. "You *are* crazy!"

As radical as this view seems to the average American, there are some compelling arguments in its favor which warrant consideration.

Those who oppose public, compulsory schooling are not against education. They agree that education is one of the most important ingredients in any successful family, corporate, or national order. All wise people down through history have recognized this fact.

Aristotle: "All who have meditated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth."

Martin Luther: "The prosperity of a country depends, not on the abundance of its revenues, nor on the strength of its fortifications, nor on the beauty of its public buildings; but it consists in the number of its cultivated citizens, in its men of education, enlightenment, and character."

Abraham Lincoln: "Upon the subject of education . . . I can only say that I view it as the most important subject which we, as a people, can be engaged in."

John Kennedy: "Education is the keystone in the arch of freedom and progress."

The importance of education, especially in today's world of rapid

Mr. Peterson is a free-lance writer in East Greenville, Pennsylvania, anxious to share some of the lessons he's learned concerning the freedom philosophy.

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technological advancement, is undeniable. Proponents of strictly private education are against not education as such but rather the *forced* education of everyone by *government.*

All of the educational debates, studies, and task forces notwithstanding, Americans have largely ignored the real needs of education. It has become a game of sorts. The "experts" have been more concerned with methods than with students' minds, more enthusiastic about tools than about teaching, and more interested in social change than in student achievement.

A few people, such as Luther Burbank, realized early what was happening to American education. He remarked, "If we had paid no more attention to our plants than we have to our children, we would now be living in a jungle of weeds."

The education of individuals is neither a toy to be played with nor a laboratory rat for scientific experimentation. It is a tool designed to achieve specific objectives. The most important things in education, therefore, are not necessarily the methods, although those are essential, but rather the objectives and those who establish them.

Different people have different educational objectives, depending on their philosophy of life. Joseph Stalin, for example, openly admitted that he viewed education as "a weapon, whose effect depends on who holds it in his hands and to whom it is aimed."

The content, teachers, and pupils are all correlative to the objectives and the objective-maker. All of these aspects of education work together to accomplish the objectives established from an educational philosophy.

Seeds of Socialism

For years now, the public school system has gone through the process of sowing the seeds of progressivism and socialism, during which time the basics were de-emphasized in favor of more "relevant" subjects. The nation is now reaping the fruit of those seeds: functional illiterates who cannot think for themselves, draw conclusions, or express themselves in a logical, coherent manner.

In the past the individual families, religious groups, and private schools dominated education, but today it is state and national governments that dominate the field. The willingness of those governments to assume the responsibility of educating young people has been in direct proportion to the unwillingness of parents and private enterprise to shoulder their educational duties.

Once in the driver's seat, providing the financial backing for the system, the government began to change the goals and objectives of American education to conform to

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the interventionist goals of the socialist State. Dramatic changes were made in curricula. Methods were "improved," ostensibly to help the individual while in reality serving the ends of collectivism. Attrition took its toll. Teachers and administrators who still believed in individual liberty and freedom of choice were replaced, when they retired or resigned, by those who shared the government view. The product of these changes is a generation of gullible non-thinkers, blind followers of the State.

Compulsory, statist education has reigned supreme in our nation for most of the twentieth century. It has forged full-steam ahead over the principles of freedom and individualism, leaving in its wake countless problems for society.

Compulsory Attendance

First, compulsory attendance policies have brought into the classroom young people who do not want to be there. It is assumed that all students need and desire the education provided. Some students, however, have neither the desire to learn nor the intention of allowing others to do so. They are in school to "have a good time." As a result, they create increasingly more disruptive discipline problems.

Second, compulsory attendance has lowered the overall quality of education for everyone. The present system is supposedly trying to be fair and equal with every student. It cannot discriminate, therefore, by providing a different quality education for different students or by having high admission standards that disqualify certain students.

"Let the revolting distinction of rich and poor disappear," François Babeuf declared in his *Manifesto of the Equals*. "Let there be no other difference between human beings than those of age and sex. Since all have the same needs and the same faculties, let there be one education for all, one food for all."

In order to achieve this absolute equality within the system, all standards must be reduced to the lowest common denominator. Equality never raises standards; it always lowers them by restricting the high achievers. If admissions and work quality standards are so lowered, as has been the case in much of American public education, the result or product can only be low in quality.

Third, by reinforcing the idea that government is providing a "free" education for everyone, compulsory public schooling has decreased the value of education in the minds of the students and of society in general. That which one gains without effort is seldom appreciated. If quality, competitive education must be earned by the individual, he will value it much more highly than if a mediocre education is forced upon

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him without his desiring it. For proof of this fact, consider the attitude of the Japanese toward education. Education in Japan is a privilege, not a "right." It is something that must be worked for. The result: higher quality graduates and, in the long run, a more productive and successful economy.

Fourth, compulsory education has led to the promotion of students solely on the basis of age or other purely social considerations. It does not matter what the student has accomplished, if he is a certain age he must be advanced with his own age group. Similarly, it discourages the promotion of exceptional students for the same reason: they must remain with their peers.

On this point, it is very enlightening to read the accounts of Jesse Stuart and to compare his philosophy of education with that of modern, statist educators. In his book *The Thread That Runs So True,* Stuart recounts his early experiences as a teacher in a one-room schoolhouse with students who were sincerely interested in learning. He taught them to advance from where they were (even if it meant a strapping teenager having to learn to read with first graders) to where they were achieving to their potential. None of this social promotion to remain with their peers. It was promotion based strictly on achievement.

Finally, the current system has invited trouble and conflict from opposing moral views. Public education, in order to avoid any semblance of catering to any particular moral, religious, or political creed or philosophy, ostensibly avoids teaching any moral standard at all. In the place of a specific morality, however, the system teaches amorality or situational ethics. In reality, it is substituting its own religion—statism—in the place of traditional religious values.

The Next Stage

H. G. Wells, one of the foremost proponents of a one-world, collectivist government, realized the importance of State control over education in order to bring about his Utopia. "Men's thoughts and motives will be turned by education, example, and the circle of ideas about them . . . " he predicted in "The Next Stage of History." The people who will run this centralized government will be those who control the educational systems of the nations of the world. Their goals and desires, rather than the interests of the individual, will be sought and achieved in this utopian society.

The State can force students to attend school, but it can never force them to learn. Only those who truly have a desire to learn will do so. Even then, they will only retain and apply a fraction of all that is pre-

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sented to them. And in the public, compulsory system, the fraction retained is further reduced by the negative influence of students who have no desire to be in school.

And what if that which is learned is not true? Josh Billings must have had this in mind when he said, "It is better to know less than to know so much that ain't so."

Moral Guidance

As to moral virtue, that is distinctly what education is to provide. As early as the passage of the Northwest Ordinance of 1787, morality was considered to be the domain not only of religion but also of education. The Ordinance read in part, "Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

The Ordinance did not say that government was to *operate* schools; it said that government was to *encourage* the operation of schools. It did not say government was to *avoid* religion and moral instruction; it said government was to *encourage* it through education. And it certainly did not say government was to encourage one particular brand of religion, even statism; it said, "religion," pure and simple.

John Ruskin wrote in 1853, "Education does not mean teaching people what they do not know. It means teaching them to behave as they do not behave. It is not teaching the shapes of letters and the tricks of numbers, and leaving them to turn their arithmetic to roguery and their literature to lust. It means, on the contrary, training them into the perfect exercise and kingly continence of their bodies and souls. It is a painful, continual, and difficult work to be done by kindness, by watching, by warning, by precept, and by praise, but above all—by example."

What is the alternative to the public, compulsory educational system? It is the exact opposite: private, non-compulsory education.

Who would determine which schools survived, and who would insure quality education? The free market: consumer demand and consumer choice.

Wouldn't such a system be awfully haphazard, inconsistent, and unstable? It would at first glance appear that way. But to anyone familiar with it, the entire free market system seems haphazard. There is, however, a method to the madness. The schools which best meet the needs and desires of the greatest number of consumers would survive, make a profit, and educate the students of the nation.

This system would operate in the same way as business in the free market. Those businesses which

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best meet the demands of the consumers, make profits and stay in business; those which do not, suffer losses and eventually fail. The consumers, by their expressions of choice, would determine and insure high quality.

A private, non-compulsory school system would be able to provide for the diverse religious needs and preferences of the people as well as for the diverse social, physical, and intellectual needs of their students. And they would do this without offending any single sect or denomination—except, of course, the statists. Each group could have, if it so chose and if it had enough demand within its own constituency, its own school.

This is really not so extreme as it may at first sound. In fact, it is the very system upon which our country was founded.

Early Private Schools

The first schools in the New World were private and were usually operated by religious groups. Since most of the early settlements were composed of only one or two distinct religious groups, education tended to be sectarian and community-supported. The "Old Deluder Satan Act," which was passed in 1647, provided that every township in the Massachusetts Bay Colony having a population of fifty householders would appoint and support a teacher for their children. Although the entire population of each township so affected paid for the education, this was not "public" education in the sense in which it exists today.

There were no state colleges or universities in the early colonial period. All institutions of higher learning were private and, like the lower schools, were usually run by religious groups. The first college in the New World, for example, was Harvard. It was founded by the Puritans of Massachusetts in 1636. Similarly, the Anglicans started William and Mary; the Presbyterians, Princeton; the Episcopalians, Columbia; the Baptists, Brown; and the Dutch Reformed, Rutgers.

Although most students in the United States today attend schools in the public system, there is an ever-increasing number who are attending private schools. One out of ten students now attends such a school. And these schools are increasing in number at the rate of three or four every 24 hours.

This trend alarms statists and supporters of government education. They have begun fighting it with every weapon in their arsenal. They are determined, like most unions, to eliminate this undesirable competition and to retain their monopoly on education. The key to the success of statism and collectivism is the monopoly they hold on the education of young people.

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Several weapons are being used to offset the surge of private schools, especially that of religious private schools. The employees of most of the religious-oriented schools have, until recently, been exempt from unemployment taxes. Operating as non-profit, educational arms of the various founding religious groups, they have also been (until recently) exempt from Social Security taxes.

The most recently-acquired and perhaps the most fearsome weapon now in the hands of the State is the argument of public policy. The U. S. Supreme Court ruled in 1983 *(Bob Jones University v. United States)* that in order to qualify for tax exemption, educational institutions "must serve a public purpose and not be contrary to established public policy."

A wide variety of religious groups expressed their concern about this ruling. The Mennonites, who are pacifists, predicted, "When it becomes the established public policy for this nation to have a war . . ., that could result in the Internal Revenue Service coming in and taking away our tax-exempt status." Jews, who provide separate programs for men and women in their religious educational system, also fear that if stated public policy becomes strict equal rights regardless of sex, they might lose their tax exemption.

Even one of the justices voting with the majority, Lewis Powell, expressed concern that the ruling could be interpreted to mean that "the primary function of a tax-exempt organization is to act on behalf of the government in carrying out governmentally approved policies." Carried to its extreme, this ruling could effectively take away the freedoms of hundreds of private schools and insure the control of our children by a government educational monopoly.

Left to themselves and unhampered by government intervention, however, private schools will prosper or fail according to consumer choice. The best interests of the individual will be fulfilled, and the entire nation will profit.

Is it likely that we will ever see our nation adopt a policy of strictly private, non-compulsory education? Unfortunately, probably not. The idea is too radical to most people today.

The closest thing we can work for and hope to achieve is to keep government interference and regulation to a minimum, to maintain an atmosphere that is supportive of, rather than detrimental to, private, free-choice education for all who desire it. Only in this way will proponents of the freedom philosophy and all other views have the opportunity to share in the marketplace of ideas.

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Kenneth McDonald

To Help the Poor

CANADA's commitment to the redistribution of income is well established. In 1970, Prime Minister Pierre Trudeau said: "We believe the Government of Canada must have the power to redistribute income, between persons and between provinces, if it is to equalize opportunity across the country."

Budget figures for 1984–85 confirm it: 40 per cent is allocated to social affairs. Most of the money goes to income support and the financing of health services and education.

Results of the process between 1951 and 1981 were published recently by *Statistics Canada*. The population was divided into five equal groups from lowest to highest income. Each income group represented one-fifth of all families and unattached individuals.

The results showed that "the share of income for each group is the same in 1981 as in 1951 when income (including social benefit payments) is considered. This means that although each group's income has increased substantially, there's been no movement toward greater equality between groups."

Since the Fabian Socialists adopted it in the 1940s, the redistribution of income has been one of the tenets of democratic socialism. Yet the stubbornness with which inequalities of income persist has been known for almost a century.

In *Natural Inheritance* (1889), Francis Galton described the nature of variation: "Whenever a large sample of chaotic elements are taken in hand and marshalled in the order of their magnitudes, an unsuspected and most beautiful form of regularity proves to have been latent all along."

It can be demonstrated mathematically that many human activities, including the distribution of wealth and income, fall into a predictable pattern of distribution represented by the bell-shaped curve and variations of it. The mass is in the bell. Few are at the rim.

What is not predictable is the degree of success or failure that at-

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tends the separate efforts of individuals as they make their way from one income group to another.

But the natural urge of politicians to keep office drives them to cater to the mass. The coercive power of the state is recruited to redistribute the effects of a natural phenomenon.

The state does not see the individuals, only the mass that they constitute. Trying to reduce the disparities between sections of the mass becomes a major occupation of government. The process causes government to grow. It is government's share that changes.

In the industrialized West, big governments are out of fashion. The emphasis now is on creating wealth, rather than trying to redistribute it.

But creating wealth is a matter for the individual, the entrepreneur and risk-taker, for the citizens the state does not see as they make their way from one income group to another.

Their efforts are hampered by the actions of government. Progressive taxation, regulation, form-filling, all the machinery of government is a brake upon initiative and the creation of wealth.

The accumulation of debts and deficits, and the resulting rise in government's obligations to pay interest on its borrowings, adds to the tax burden. Much of the accumulation stems from political reluctance to reform the universal programs that accompany the redistribution of income.

It appears that cutting the size of government is much more than a political slogan. If the poor are to be helped, their best hope is in a chance to join the wealth-creating process.

A job gives them a chance. In a dynamic economy, one job leads to another. New ventures are undertaken.

Canada's economy is not dynamic. Unemployment is rising. Capital investment is sluggish. Individuals, who watch their spending carefully, see perhaps half their incomes transferred to governments that seem not to watch it at all.

It is in the lack of control over their own affairs that entrepreneurs and risk-takers suffer the most. Government intervention saps that control. Yet much of government's intervention is inspired by endeavors to improve the lot of the poor. Government's actions are contradictory.

Admitting the contradiction, and explaining its effects to the electorate, is a task for politicians. If they tackle that contradiction, they will be faced with another: that in courting voters they will risk antagonizing the majority that is found in the lower income groups.

What they do not know is the extent to which members of that majority would understand and respond to the truth.

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Ridgway K. Foley, Jr.

A Second Face of Justice

LONG AGO and far away, flushed with the certainty of youth, I postulated respect for free non-aggressive choice as the Rosetta stone of justice. ("In Quest of Justice," *The Freeman,* May 1974) Today, refreshed with the enforced humility of later years of reflection, I recognize that my earlier cognitive meanderings suffered from the myopia often attendant upon self-assuredness. I remain committed to the belief that justice, in the milieu of proper conduct between individuals (singly or in groups), does indeed require untrammeled respect for free and uncoercive choice by every other actor. Thus, the inane propositions of those who glibly justify restraints on liberty by the phrase "social justice" fall mortally wounded in the conceptual fray on the sword of true justice defined in the terms of human respect for another's freedom.

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However, the definition of justice limited to the "social" or individual sense suffers from unduly restrictive borders: It does not look beyond the individual to perceive the universal. Philosophers and theologians of centuries past have searched for a talisman dedicated to understanding justice in the relationship of man to his universe. The inquiry becomes pertinent even for those consumed by a passion for social justice, since the latter employ an exceedingly large amount of their time in attempts to right perceived wrongs suffered by individuals seemingly impaled upon the tines of an anonymous, cold, and sometimes cruel inexorable natural order, merely as an unintended result of well-intentioned and most seemly human conduct.

Since the days of Job, cognitive man has inquired why evils befall some persons and skirt about the lives of others. Rumination about rejection by the perfect girl, denial of privilege or advancement, death

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by senseless mass murder, crippling by disease, destruction of property by fire, flood, and pestilence, and a whole host of other affronts tends to occasion self-pity but precious little real comprehension of the rationale undergirding this eternal dilemma. The fortunate prate about the best of all possible worlds, while the afflicted receive a modicum of succor from Voltaire's Candide. Properly considered, both views possess merit; they simply address discrete but related questions.

Defining Justice

The two seminal interrogatories concerning justice may be propounded as follows: First, define justice in the context of individual human beings acting in society with other human beings; second, define justice in the context of an individual human being in relation to the universe about him.

I propose the following working definitions. First, justice among men consists of respect for the noncoercive free choice of all other human beings. Second, justice in the natural order consists of the consistent application of truth. In this light, Alexander Pope correctly viewed the world as judgmentally fit; Voltaire just as aptly noted the myriad flaws in application of that tenet to human endeavor and interaction which, in that century as today, suffered from incursions into personal liberty too numerous to count.

One may posit the world as value free, yet he must still face the inquiry and differentiation of justice of and in the natural order. Calamity occurring without effective human causation does not merit either appellation, just or unjust. Natural events take place in the regular and orderly sequence demonstrative of inexorable causality. Unless one subsumes an organic free will attribute in impersonal organisms, objects and events, judgmental applause or opprobrium appears clearly misplaced.

Justice necessarily involves the choosing process indigenous and unique to a being possessed of free will, the ability to affect results meaningfully and to alter causality. Man must take nature as he finds it; to this extent, individuals act in a closed system—man must play the game according to a set of rules imposed from without his person and *sans* human contribution or concurrence. The inherent justice and propriety of the universal order and its Creator poses yet a third line of inquiry beyond the limits of this essay; for the purposes of this fragment, I presuppose the existence of a value-free natural order.

In assessing justice in the sense of the relationship of individual man to his universe, one must focus upon the quintessence of that outward

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empire. The inestimable Albert Jay Nock urged that the scholar should attempt "to see things as they are." At the risk of superfluity, I propose that truth (as employed in my second definition of justice) consists of just that attribute: Recognition of the essence of our world. I have employed "universe" and "world," among other terms, in this tract as easy labels for the vast natural phenomena in which we find ourselves.

New Horizons

Mankind's increasing ability to look inward and outward has revealed a greater sense of immensity and complexity than pondering searchers once realized. For example, scarcely a month passes without a yet more wondrous revelation in one of the hard sciences concerning discoveries of more minute and regular sub-atomic particles which perform essential functions in the development of matter, or the discerning of still more intricate orderings of distant and hitherto unforeseen nebulae, black holes, dwarf stars, or the like. What once passed for science fiction pales before the commonplace perceptive and analytical achievements of the age.

The enormous size of the natural environment should serve to underscore both the essential complexity and purpose of the human being and his rather modest and downright indifferent accomplishments in this vast scheme. Sixty centuries or so of recorded reflective human history reveal but halting feints at knowledge—at discernment of things as they truly are—given the panoply of tools and the panorama of evidence available in this necessary pilgrimage. In place of study, reflection and analysis, the human creature has expended the great bulk of his energy and enterprise in the warring quest for power and enslavement.

Even today, gifted with the discoveries of countless forebears over myriad years, the thrust for grasping reality all too often is relegated to the laboratory ash can unless a military purpose glimmers on the horizon. Increased knowledge has not yielded objective betterment in human relations: By and large, men and women exhibit the identical unlovely traits today as they did in ancient Sumer, Mesopotamia, or Carthage. The sole observable distinction lies in the ability of modern mass man to deceive, enslave, and destroy his fellows with ever greater efficiency and rationalization.

Furthermore, human knowledge has not penetrated much below the superficial layer of extrinsic evidence. Insightful minds over the years have only dimly observed the elemental foundations of living beings, of inanimate matter, and of the laws of causality; indeed, all too

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often that which has been accepted as common lore has been proven demonstrably false (although recognition of fallacy ordinarily occurs grudgingly and indolently at best). And yet, pitiful men herald each new discovery as the lodestar to the ultimate unveiling of the deepest secrets of the universe, only to supplant that particular bit of wisdom next fortnight with an ever-more-current encyclic solution. Each outward or inward step yields a subsequent insight into an ever-more-complex substrata, casting doubt upon the likelihood that human beings will ever scratch the essential surface of reality.

In light of the patent intricacy of the universe, one would anticipate that mere mortals would stand in awe of creation and act with due humility in its presence. Observation reveals quite the opposite: Most individuals exist in a pre-reflective state and direct most of their poorly conceived actions toward mastery of others and satisfaction of base desires, secure in the abysmal assumption that they stand in the center of the universe and possess the capacity and moral understanding to counter and conquer eternal truth. Refusal to view things as they really are leads inevitably to the dictocratic state of mind, to a belief (in the pithy words of Arthur Shenfield) that we can, indeed, turn iron into gold and men into women.

Appropriate testing of the second facet of justice mandates an overview of the concepts of "truth" and "consistency," as well as the interrelationship between these two polestars of justice.

Mr. Nock's simple definition of truth (or reality or nature)—things as they really are—cannot bear improvement. The universe, including mankind, exists. Truth or reality merely refers to the essence of matter, space, time and force, the combinations of those phenomena, and inexorable rules governing the system and relationships within the order.

Simple statement masks complex epistemological quandaries. Mankind lives in the center of reality, yet individuals encounter immense problems in discerning that very reality. The seminal inquiry, simply, is "Why do men find it so difficult, nay impossible, to learn the truth?" The explanation lies in the nature of the human being: Flawed, imperfect, becoming, subject to improvement but never capable of perfection.

An Orderly Universe, Individual Deviations

The universe exhibits precision and order; to that extent, it may be considered "perfect," in that it operates exactly as constructed, without lapse or deviation. Mankind possesses quite a different nature: By

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virtue of his choice-making commission—his "free will"—he may direct his development and choose his destiny in a sense, and within the finity of his being, he may vary the natural order and alter the course of events. No other creature (and certainly no inanimate object or essence) enjoys this fearsome trait.

Moreover, this very characteristic of human fallibility which blemishes the perfect order demonstrates the reason for a substandard perception of truth. Because men are not perfect, they necessarily observe, evaluate, and relate universal and particular bits of knowledge with imperfection. Because men are capable of improvement, they may experience the faculty to approach the stars, to act more closely in harmony with the essence and rules of the universe. Perfect knowledge and, hence, perfect justice defies attainment; it remains an able quest for the human crusader.

The veil shrouding truth becomes more dense than necessary not only by virtue of our finite nature but also by reason of man's dubious predilection to malevolence and smugness. Indeed, in a day of nearly instantaneous transmission of information and opinion about the globe, who among us has not decried the very vastness of the problem of knowing who and what to believe? Intentional falsehoods certainly appear throughout history, but the totalitarian in us all employs double talk and dissimulation at a pace and effect far beyond the giddy imaginings of tyrants past. Confusion of ends and means, misinterpretation of real data, blatant self-serving falsehood, and an utter disrespect for individual free choice coalesce in the widespread dissemination of consummate dogmatic error.

Negligent and intentional misinformation proves equally disconcerting. The identical source—mankind's essential disfigurement—produces negligent, unvarnished nonsense as well as volitional misstatement. Few individuals recognize, accept and act upon the fundamental postulate of their own flawed nature—the essential propensity to err and fall short. Instead, men posture like bantam roosters, smug and self-assured that they alone occupy the center of creation, possessed of inherent ability to do right in all things. This universal tendency—itself a reflection of inconsistent application and incorrect perception of truth—obviates the humility necessary, first, to ascertain the real nature of the universe, and second, to accord to other men and women the right to live their peaceful lives in their search for truth and justice.

The errors of perception and analysis which cloud human eyes flow from undiscerning belief in personal infallibility as well as blind accep-

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tance of scientific and historical analyses by other mortals, all of whom speak or report from ingrained (and sometimes unrecognized) bias and presupposition. Precise attention to truth proves impossible because ulterior motive and inadequate comprehension and assessment intervene.

Proceed to the concept of consistency. The doctrine essentially compels the employment of identical rules to identical situations, and similar rules to similar situations. The true equality appears not in human-decreed regulations of dissimilar matters, but in the inexorable natural laws of order prevailing in the universe. The law of gravity exacts its price from a fall from the observation deck of the Empire State building, quite oblivious of the label attached to the descending body: Commoner and king, gentleman and knave, all receive similar treatment.

The Consequences of Choice

The existence of free men in a closed system creates an apparent dichotomy which dissolves upon reflection. A value-free universe exists, governed by exact laws which apply sanctions to given choices of action. Man must cope with this closed system, yet he possesses the ability to choose meaningfully between alternatives and to vary the outcome of events; his individual selection from an array of choice not only affects his own destiny but also the course of events and available choices for other individuals living and acting within the same system.

The natural rules of order and causality merely define the perimeters of the universe, prescribing the results from a concatenation of chosen actions superimposed upon existent matter, space, time and force. Man's conduct within these boundaries fashions these results by choosing from the permitted array of activities; man possesses the ultimate ability to affect his own destiny (and that of others) even to the extent of choosing to disbelieve truth or to act malevolently, foolishly or irrationally. The exaction of a sanction in the nature of an unpleasant result flowing from an unwise action does not alter the power of the human being to make such ultimate choices; the sanction follows as an unchangeable result decreed by the natural order of things.

Consistency precludes the application of the double standards so prevalent today. Unfortunately, all of us suffer (at least at times) from the ravages of inconsistency. Several reasons occasion this deviation. First, individuals perceive truth with varying degrees of acumen; inaccurate assessment of reality easily leads to disparate handling of related problems. Second, mankind understands the rules of causality

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erratically at best; the law of cause-and-consequence represents one aspect of truth that is misperceived, overlooked or ignored; it also operates independently by thwarting actors perceiving an essence of reality but miscomprehending the causal nexus to the inexorable (but humanly unexpected) result. Third, people are perverse; mankind delights in judging similar things in a dissimilar fashion, all in the good name of "social justice." Fourth, individuals ordinarily misconceive their role and their power to alter natural rules of causality and order; most men and women perform in the apparent belief that they can outwit the laws of nature.

Inconsistencies Abound

The absence of consistency mars all political movements. The liberal holds the tenet of free speech dear, yet demands the privilege of stating the agenda, setting the boundaries, and compelling the dissenting minority to fund the majority hyperbole. Coercively-acquired tax monies support not only public broadcasting editorials and purported documentaries, but also a vast range of spokesmen for political, legal, social, economic, historical and policy creeds or points of view. Valid dissenting opinions are shut out of the mainstream discussion and are often subjected to government-sponsored ridicule if not punishment: A contrary view on the political situation in South Africa or Israel, on the racially-related aspects of criminal behavior, or the immorality of public education, must not be countenanced by the liberal defender of the First Amendment.

The conservative earns almost as many demerits. Many employing this description urge "free enterprise economics" while securing special favors from the government in the form of subsidies, contractual incentives, barriers to market entry by competitors and the like. Those donning the conservative hat tend also to favor foreign military intervention, conscription, excessive defense expenditures and the like, overlooking the propriety of minding one's own business in a peaceable fashion.

Even the grandiloquent "Libertarian Party" founders upon such shoals as the abortion mania and general gradualism; for example, the 1980 presidential campaign of the Libertarian Party witnessed a call for federal income tax "reform" which would modify but retain the graduated tax concept; apparently it is wrong to steal a silver tea service, but a knife and fork will do nicely!

Again, the same afflictions hampering the discovery of truth likewise do impede the consistent application of reality once known. Problems of perception and applica-

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tion render the goal unattainable; they ought not deflect us from the trek. The belief in accountability or responsibility requires each of us to act most harmoniously with the real nature of things as they truly are in all contexts.

It remains to note the interrelationship between these two faces of justice. If I have correctly posited the rules and the underpinnings, it would seem that an inapt recognition of both situations bears responsibility for much of the grief in the world. Accountable man in a value-free universe should order his actions, as nearly as possible, in harmony with the state of the natural environment. He will forecast erroneously on occasion, causing unexpected and often unhappy results. He will achieve propitious results in direct proportion to the relationship between his choices and the natural order.

Sadly, this scene occurs rarely. Generally, men refrain and refuse to live with the untoward results of their silly choices; instead, employing the plunder state to its fullest extent, they shunt the consequences of their individual or collective blundering onto the shoulders of an unwilling but less powerful citizenry.

Thus, when social entitlement programs transfer looted property from producers to takers to such an extent that even the revenue authorities blush, fiscal and monetary card tricks and shell games create a chimera of inflation caused by evildoers as a readily-accepted explanation for travail; the takers and the users deflect criticism for economic misallocation and erosion of savings away from the real culprits by pointing the accusing finger at "greedy businessmen," "unrealistic wage claims," "hoarders," "foreign cartels" or whatever target appears handy and agreeable; all the while, the same victims—the creative few—receive yet another mulcting by camouflaged taxation.

The problem with justice lies in the fact that every person believes that he knows what is true and what is just when, actually, no one possesses that precise knowledge. Yet, this self-assured and smug state of mind impels most of us to be so certain that we know the proper exit from the maze that we feel compelled to obligate all our fellows to follow our prod. Thus, a rare individual indeed grants complete respect for the non-coercive free choice of all other human beings in society.

American folklore once canonized the free thinker like Henry David Thoreau; today the vast majority pay mere lip service to this tradition; a plunder state cannot tolerate those who hear distant drums—they might, just might, possess some insight into the consistent application of things as they truly are.

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Daniel Klein

What the Government Takes

THIRTY-SEVEN years ago F. A. Harper addressed the following question: Of the average dollar's worth of goods and services produced in the United States, what portion is taken by the government? He studied the year 1946 and his findings were published by the Foundation for Economic Education as a pamphlet appropriately titled "31¢."

An investigation of the same question for the year 1983 reveals that the government now consumes 44.2¢ of the average dollar's worth of goods and services produced, up by 13.2¢ since Harper's study. (I derived the figure by dividing National Income by total government spending. Harper used Personal Income where I used National Income. The two are very close; my method makes the government appear slightly more villainous.)

This result is most distressing: After approximately 160 years the government take of our income climbed, with some fluctuation, to 31 per cent. Yet in the following thirty-seven years it grew by nearly fifty per cent to 44.2 per cent. If government consumption jumps as much in the next thirty-seven years as in the past, we will be losing 63 per cent of our income to the government in the year 2020. This extrapolation does not take into account the acceleration of the bite.

In 1983, what the government cost us was 128.6 per cent of what food, housing, clothing and shoes combined cost us. Not only did the government extract this enormous amount of wealth from us, but also, unlike our food or clothing expenses, we had almost no control over how the government funds were used. If we could pay for the private provision of many of the goods and services the government ostensibly provides, such as education, transportation, security, energy, and garbage removal, surely we would pay much less and receive much more.

To think that nearly fifty per cent of our wealth is consumed by the

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government is disconcerting, to say the least, but that figure fails to reflect the full burden on government. The national accounting of the government's consumption is based on what actually happens in the economy. It does not account for what would have happened if the government had not intervened. It is impossible to judge how much more American business and industry could have achieved if not for thousands and thousands of government regulations, but the magnitude is tremendous. A. W. Clausen, president of the World Bank, said that Americans have to pay $2 to $4 billion more a year for clothing because of import quotas on textiles. According to C. William Verity, Jr., chairman of the executive committee of Armco, Inc., American companies are losing at least $10 billion a year in sales to the Soviet Union because of U. S. government restrictions. Robert Crandall, a Brookings Institution economist, says that government negotiated quotas on Japanese auto imports to the United States probably cost American consumers at least $4.3 billion in higher car prices in 1983. These are just three cases in the myriad of ways in which government regulation impoverishes us. None of these shows up in the charts of national accounting.

National accounting also fails to include certain government activity which is kept off the books. This activity is problematic because most of it takes the form of loans. Funds go to various government lending agencies which in turn lend them out to the private sector. The government clearly controls the allocation of these funds, but it does not directly consume them. The ultimate receiver of the funds gets a loan that the unhampered market would not have provided. In effect it is like a government subsidy on interest payments. What part of the government controlled and subsidized off-budget loans should be counted in government take? Because the funds are displaced from the proper competitive recipients, economists James T. Bennett and Thomas J. DiLorenzo suggest counting most of those loans. They feel that we can add approximately $200 billion on the annual government take due to off-budget enterprises. This would shift the current measure of the average take of the dollar earned to 52¢.

It is impossible to keep track of all the ways government costs us. All told, perhaps the government lessens what we otherwise would produce by seventy, eighty, or ninety per cent. One thing is certain: F. A. Harper was wise to warn us of this trend back in 1947, though many of us have yet to heed his caution.

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Miller Upton

In our futile attempts to provide psychological freedom (freedom from fear, want, hunger, poverty, etc.) we have sacrificed our constitutional liberty (freedom from government). Because of the nature of the human condition, we will end up with neither psychological freedom nor constitutional liberty.

A Year That Will Live in Infamy

AT A TIME when the economy of the United States is being strangled internally by excessive governmental expenditures and undermined internationally by comparatively low labor productivity, it is well to reflect upon the past to consider what, if anything, went wrong along the way.

While it might seem rash to suggest that any single event or point of time can be isolated as being causal in this regard, certainly objective review inevitably leads back to the Spring of 1937 when revolutionary[1] decisions were made by the Supreme Court of the United States. The principal decisions were those which established as constitutional on a 5-4 vote the Wagner National Labor Relations Act and the Social Security Act. Both had been passed by Congress and signed into law in 1935.

It is not the purpose of this article to re-argue the constitutional merits of these cases. While substantial opportunity exists for such, nothing would be gained other than intellectual calisthenics. The need is to be reflective, not argumentative; to focus prospectively rather than retrospectively. If indeed we are suffering deep wounds in our body politic as a result of these decisions, then rational behavior requires that we acknowledge the fact in order to save the patient rather than blindly defend the past and let the patient bleed to death.

A brief review of the events of that time is in order. Through 1936 the Court, usually by a 6-3

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vote, was consistent in its opposition to President Roosevelt's New Deal legislation on strict constitutional grounds. The parts of the Constitution involved were invariably the 5th, 10th and 14th amendments and the commerce clause. In the fall of 1936 Roosevelt was elected to a second term of office by the overwhelming vote of 523-8 electoral votes. Backed by this almost unprecedented popular support, he immediately turned his attention to dealing with that segment of government which was aborting his legislative efforts for reform—the Supreme Court. And on February 5, 1937, without prior divulgence to anyone other than his closest advisers, he presented his plan for legislation increasing the size of the Court. Based upon the terms of the bill proposed he could have appointed 6 new Justices.

The bill was never passed but its intent was achieved just the same. Within months Chief Justice Hughes and Justice Roberts revised their interpretation of the Constitution as it applied to the social and economic legislation coming forth from Congress. Reasoning on which bills were found unconstitutional only one year earlier was ignored or revised by these two Justices. Now instead of a 6-3 majority of a strict constructionist bias there was a 5-4 majority of a flexible accommodation bias. In a series of decisions beginning on April 12, 1937, the Wagner Act was upheld as constitutional. Likewise, in two separate decisions made on May 24, 1937, the Social Security Act was declared constitutional on the same 5-4 vote. Major reliance in the reasoning on this latter judgment was placed on the general welfare clause of the Constitution.[2]

Strict Construction vs. Liberal Accommodation

Just as it is not the intent here to reargue the cases from a legal or philosophical standpoint, so it is not the desire to get caught in the quagmire of dispute between the strict constructionist and liberal accommodation approaches to constitutional law. As Justice Cardozo says in rendering the opinion of the Court at the time:

> Congress may spend money in aid of the "general welfare." Constitution, Art. I, section 8; *United States v. Butler*, 297 U.S. 1, 65; *Stewart Machine Co. v. Davis, supra.*[3] There have been great statesmen in our history who have stood for other views. We will not resurrect the contest. *It is now settled by decision.* [Italics supplied.] *United States v. Butler, supra.* The conception of the spending power advocated by Hamilton and strongly reinforced by Story has prevailed over that of Madison, which has not been lacking in adherents. . . . Nor is the concept of the general welfare static. Needs that were narrow or parochial a century ago may be interwoven in our

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day with the welfare of the nation. What is critical or urgent changes with the times.[4]

In short, if Congress in sensing the social and political needs of the time decides certain legislation is called for as advancing the general welfare, it becomes, *pari passu,* constitutional.

The matter now is not whether such a liberal approach to constitutional law is right or wrong. "It is now settled by decision" ! The concern at hand is to consider the consequences of such an approach. We have the benefit of 47 years of history to help us in our consideration.

In this connection, reference to a section of Justice McReynolds' dissent to one of the Social Security cases is in order. He quotes at length from a veto message sent by President Franklin Pierce to the Senate on May 3, 1854. The bill he vetoed was entitled "An act making a grant of public lands to the several states for the benefit of indigent insane persons." The relevant section follows:

> In my judgment you can not by tribute to humanity make any adequate compensation for the wrong you would inflict by removing the sources of power and political action from those who are to be thereby affected. If the time shall ever arrive when, for an abject appealing, however strongly, to our sympathies, the dignity of the States shall bow to the dictation of Congress by conforming their legislation thereto,when the power and majesty and honor of those who created shall become subordinate to the thing of their creation, I but feebly utter my apprehensions when I express my firm conviction that we shall see *"the beginning of the end."*[5] (Italics supplied.)

Prophetic or merely ideologic? Was the decision rendering the Social Security Act constitutional "the beginning of the end," or is this an inappropriate reference to an overly dramatic phrase used by a President in the distant past?

Pandora's Box

It needs to be noted here that the issue is not the need and validity of compulsory pension and unemployment insurance programs but rather the appropriateness of Congress assuming unto itself responsibility for such. If "the beginning of the end" seems somewhat too extreme, maybe a better metaphor would be the proverbial opening of Pandora's box.

Who is prepared to deny at this point of time that there seems to be no limit to the legislation that can emanate from Congress under the general welfare pretext? We have direct federal aid to education. We have Medicare and Medicaid. We have food stamps. We have control over agricultural production. We have subsidies for not producing. There is a continuing threat to regulate baseball and other professional sports. And so it goes *ad*

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infinitum. Thousands of such bills are introduced into Congress each term.

A consequence of such runaway legislation at the national level has been uncontrolled expenditures and financial commitments leading to technical bankruptcy. Actual bankruptcy has been avoided only by debasing the currency through continual expansion of the money supply. When the power to create money is combined with unrestrained power to spend and political incentive to do so, the inevitable result is fiscal irresponsibility and fiscal disaster. Such is our current state.

In point of fact the federal system of government envisioned by our forefathers and incorporated into the Constitution has been left behind. We now operate on the basis of a strong, highly centralized national government. National legislation is passed constantly without reference to constitutional authority and without fear of being challenged on constitutional grounds. Members of Congress compete with one another for legislative credits; they are under continuing pressure to initiate legislation that will redound to their political benefit. State governments are for the most part merely historic vestiges of the original federal structure. The extent of their authority is hostage to the national government, not the Constitution. The 10th amendment is no longer invoked. The states even suckle unashamedly at the national teat, ignoring the fact that both of these governments secure their resources from the same individual citizen. Ask any citizen which is the higher level of government and the answer 99 per cent of the time will be, "The national government, of course."[6] In recent years the national government alone has consumed up to 24 per cent of the gross national product.[7]

Impact of the Wagner Act

The specific impact of the decisions establishing the Wagner Act as constitutional was also pervasive. The guiding principle of equality under the law was set aside; a political and social end was again given precedence over the law. The national government took sides in a domestic struggle, and serious consequences have resulted.

The industrial unions soon became the prime example of an unregulated monopoly. An industrial trade association is deemed subject to the Sherman Anti-Trust law but an industrial labor union is not. There is no justification in law or economics for such favored treatment. Collective bargaining by labor on a company-wide basis can be defended on the grounds of economic theory and practice, but industry-wide domination by a union organi-

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zation cannot be. The economic base of labor within such union-dominated industries has been eroded over time by union monopoly power. This fact has been shielded from view because of the secular inflation produced by the policy of ongoing deficit financing practiced by the national government over the last 50 years.[8]

Management has been prone to grant demands for higher and higher wages and benefits knowing that it could pass these increased costs on in ever higher prices. Real profits gave way to monetary profits. We began living in a world of accounting make-believe. The result has been wage and benefit increases without reference to productivity increases. The day of reckoning came when international competition within the heavily unionized industries became real and domestic inflation was suddenly brought under control. Now members of the labor forces of these industries have come to realize, as did the railroads and other temporal monopolies before them, the limited benefit over time of any monopoly privilege.

But these direct results of the Supreme Court decisions in the Spring of 1937, important as they may be, are probably less significant than the indirect impact over time on our overall governmental structure. That established by our forebears was a federal system held in balance by strict provisions of a Constitution. Their objective was to create a federal government out of the 13 independent and sovereign states in order to provide for a common defense, a common citizenship, a common currency and a common commerce among the several states unrestrained by interstate barriers. At the same time, having experienced firsthand the threat to individual liberty of a highly centralized, overarching, authoritarian national government and being acquainted with the historical record to this effect, they limited the authority of the newly-created federal government and provided in the first ten amendments to the Constitution specific safeguards to individual freedom.

Undermining the Constitution

Regardless of the professed merits of the liberal accommodation approach to the interpretation of the Constitution, it seems clear that the full acceptance of this doctrine by the ruling majority of the Court in 1937 has resulted in greatly, if not totally, undermining the original governmental structure of the United States. As Mason states:

> After 1937 the Justices were somewhat less concerned than formerly to avoid any action that might remove the protective coloration disguising their power. President Taft feared, as we have seen, that reversal of the income tax de-

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cision by an ordinary act of Congress might impair the Court's prestige and jeopardize judicial magic. Taft successfully advocated the amending process as the appropriate way out, thus delaying the income tax for nearly twenty years. In 1937, however, without resort to the formal amending process, without a single change in judicial personnel, the Justices had suddenly amended the Constitution. "In politics," Jackson commented, "the blackrobed reactionary Justices had won over the master liberal politician of our day. In law the President defeated the recalcitrant Justices in their own Court." Thus Roosevelt's major premise, that the judicial function in the constitutional field is inevitably political, was confirmed by the Court itself.[9]

Looked at coldly and not sentimentally the truth is that we have a written Constitution but not constitutional law. We have gone so far in giving it flexibility in interpretation consistent with the political, social and economic pressures of the time that it no longer retains any temper of its own. Constitutionality is based upon the dominant ideology of the sitting Court as well as the prevailing orthodoxy. It is well-established that lawyers cannot with any degree of confidence counsel their clients as to what the law is as it relates to the Constitution. One who is able to sense and prognosticate the general political climate is more successful in this regard. The Court has reversed itself so often and over such short time spans that legal precedent provides little reliable support. Cardozo himself states in the opinion of the Court establishing the Social Security Act constitutional: "*Florida v. Mellon,* 273 U.S. 12 supplies us with a precedent, *if precedent be needed.*"[10] (Italics supplied.)

Respect for Prior Rulings

It is being neither cynical nor facetious to state that the oath of office should be to the decisions of the Court and not to the Constitution itself. The fact is that the Supreme Court is supreme in determining the political course of our country and not merely an impartial interpreter of the Constitution. If prior decisions serve the reasoning of a simple majority of the Court at any one time, well and good; if not, then recourse will be found elsewhere, including something so vague as the general welfare clause. If this general reference in the preamble of the Constitution and Article I, Section 8 can be given precedence over all other provisions, then the amendments and other specific declarations in the final test come to nothing. Legislation is deemed constitutional or not according to the dominant bias of each sitting Justice and the social and political pressures that exist at the time. Ours is thus in unvarnished truth a government of men and not of law. That is why control over appointments to the Supreme Court is so crucial.

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It probably was always highly unrealistic to assume that a document created at one instant of time and adopted by individuals living in that era could ever serve as an external discipline to subsequent generations. Constitutional government in the strictest sense of the word can never exist, for popular demand, if strong enough politically, will always find justification and means for circumventing the existing constitutional restraints. In a government of the people, by the people and for the people there can never be any restraint to concerted popular will. That is why we are governed at the present time by organized groups, albeit minority groups, for only through organization can our pressure be felt.

Under such circumstances we can only hope that, in the main, political statemanship will somehow win out over political demagoguery. But human history offers no encouragement in this regard. Even within democracies naked political power has too often won out over individual rights and social justice. Concern is focused not on what is best for the nation as a whole but on what is best for one's own special interest. The Constitution under the equal protection clause could have been relied upon to protect us all from such favored treatment of some, but its application has been spotty. The Justices are subjected to the same political pressures as the legislating politicians themselves. And their own biases may or may not offer protection against such pressure.

Basic Freedoms Denied

The preferred freedom doctrine might take exception to this dire analysis. Granted great license may have been taken in the interpretation of the 5th, 10th and 14th Amendments and the commerce clause, so long as we protect the 1st Amendment and our political freedom we have no cause for concern. Such a sanguine attitude, however, flies in the face of experience, both recent and past. The Supreme Court has at times ruled as constitutional legislation which violated freedom of speech, freedom of assembly, freedom of conscience and banned citizens with a particular ethnic heritage to concentration camps without due process of law. Granted these cases were usually considered during emotionally charged times when the national security was deemed threatened and were later reversed, still they serve to support the thesis that the decisions of the Supreme Court are less an objective interpretation of the Constitution and more a subjective reaction to prevailing social and political pressure. The point also remains that the crucial decisions so made in the Spring of 1937 have not been re-

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versed, and because of the permanently changed nature of our governmental structure since then there is little chance of such ever happening.

A case can also be made that without any threat to national security the religious liberty promised by the 1st amendment has been impinged upon and continues to be impinged upon. One has to be very loose in the interpretation of this part of the 1st amendment to find support for any vague separation of Church and State. It provides clearly that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." There can be little doubt when one studies the history leading up to the writing of the Constitution that the whole intent was to make sure the federal government did not get involved in any way with religious matters and to leave such concerns entirely to individual conscience and action.

But by trying to develop from this clear statement some ambiguous doctrine of separation of Church and State, the Supreme Court has violated the intent rather than furthered it. If the Amish want to live their religion in a given way, including educating their children the way they want, the 1st amendment is intended to allow them do so so. Any state compulsory education law that conflicts with this point of view is in clear conflict with religious freedom. Compulsory education (or preferably, schooling) is given a higher priority than religious freedom. Similarly, local citizens acting democratically on the basis of majority rule should be free to have their schools include religious instruction and prayer.

We already teach Nietzsche, Adam Smith, Goethe, Marx, Shakespeare, Newton, Einstein and a whole host of major and minor thinkers; why not Jesus, Mohammed and Moses? There are atheistic proponents as well as theistic proponents, and to side with one is clearly to side against the other. The national government and Supreme Court must remain neutral in such theological conflicts if religious freedom is to be preserved.

Monopoly Privilege

The unavoidable fact of the matter is that compulsory state education with a prescribed curriculum and proscribed instruction is not only anathema to religious freedom but exists as a constant threat to individual freedom in general. How is a central government better able to control the culture, thinking and attitudes of the populace? So long as the individual states engage in such compulsion there is no threat to the Constitution, only to individual freedom. But when the national government aids or abets such gov-

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ernment education it then violates constitutional authority. Monopoly privilege, however established and maintained, is antithetical to individual freedom.

One is led inevitably to the conclusion that the doctrine of preferred freedoms is false. Its logic suggests a hierarchy of separate and distinct freedoms. But if this is so then which prevails supreme—political freedom, press freedom, economic freedom, freedom of speech, freedom of assembly? If press freedom be subordinate to political freedom, how long would the political freedom last? Or if political freedom be subordinate to press freedom, how long would a free press survive? If the doctrine suggests that the 1st amendment is the only one that must be held inviolable, then why have we in effect rewritten the section dealing with religion? And where does this leave political freedom? And where in history has it ever been shown that political freedom can survive over time without economic freedom?

The record for those who would be intellectually open is clear: individual freedom is indivisible. When lost in one area—political, economic, press, speech, assembly, religion—it eventually is lost in all areas. It may take time, possibly a matter of generations and even centuries, but it will occur. The willingness to deny freedom anywhere for cause other than criminal behavior represents an attitude which, if not reversed, becomes pervasive.

This is what the creators of our Constitution knew from personal experience and the lessons of history. That is why the Bill of Rights was included as the first ten amendments—supposedly our living civil liberties. A highly centralized national government has always been the greatest threat to liberty, thus a decentralized federal system was created and reinforced by the 10th amendment. But, as we have been told, those who refuse to learn from history are doomed to repeat it.

The Fatal Thrust

Evidence of such return to the divine right of government concept in place of the sovereignty of the people was beginning to show prior to the Spring of 1937, but the action of the President and the Supreme Court at that time provided the final fatal thrust. Maybe the human psyche by nature requires dependence upon an authority figure. Maybe there is just no way for the people to protect themselves against the abuse of political power even when institutional restraints are available for their use in this regard. Or maybe the populace at large can never be educated fully and deeply enough to govern themselves impartially and with equal justice to all.

The evidence in our own history

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for state governments themselves to strike at individual freedom is fearful evidence of this latter condition. The role of the national government in such cases in its true role as a federal government is to discourage such state legislation—to the point of amending the Constitution when necessary. The 14th amendment is a prime example of such. The federal government must never arrogate such power unto itself, however, for then the evil of centralized authority is compounded in the cause of doing good. A federal government thus becomes a national government with supreme authority in all matters. President Pierce's veto message quoted earlier is well recalled.

On December 7, 1941, a day that will live in infamy, the United States as a sovereign power was brutally (but not mortally!) attacked by an external sovereign power. Four and a half years earlier, in the Spring of 1937, a year that will live in infamy, the constitutional, federal system of government of the United States was mortally wounded by its own institutions of government. It has been gradually bleeding to death ever since. National bankruptcy, born of fiscal profligacy conceived in political promiscuity and avoided only by debasing the currency through continuing monetary inflation; declining labor productivity and economic deterioration in world competition; gradual erosion of our constitutional liberty—these are our legacies of the time. Impartial analysis and reason admits no other conclusion.

—FOOTNOTES—

[1]No less an authority than Mason makes frequent reference to the "revolutionary" aspect of the 1937 decisions. *The Supreme Court from Taft to Warren*, Alpheus Thomas Mason, Louisiana University Press, 1958. See in particular; pp. 134 & 135.

[2]It is worth noting that President Roosevelt is quoted as saying: "It would be a little naive to refuse to recognize some connections between these 1937 decisions and the Supreme Court fight." (Mason, *ibid*, p. 102)

[3]It is important to recognize for the thrust of this paper the full nature of the cases which Cardozo cites as precedent here. *United States v. Butler* was decided only the preceding year in finding on a 6–3 vote that the Agricultural Adjustment Act was unconstitutional. *Stewart Machine Co. v. Davis* was the other case challenging the Social Security Act and though arguments were heard one month earlier than *Helvering*, both were decided on the same date.

[4]*Helvering, Commissioner of Internal Revenue, et al. v. Davis*, 301 U.S. 640-1. (1936)

[5]*Stewart Machine Co. v. Davis*, 301 U.S. 606. et. al. (1936)

[6]In a true federal system of government, which the United States was intended to be, there is no hierarchy of governments but rather different governments to which separate responsibility and authority is assigned by the people.

[7]1982 Economic Report of the President.

[8]The national government has balanced its budget only 8 times since 1932 and only once in the past 25 years.

[9]Mason, *op. cit.*; pp. 113 & 114.

[10]*Stewart Machine Co. v. Davis*, 301 U.S. 591. (1936)

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Dean Russell

Legal Plunder:

Origin and Consequences

A CYNIC once claimed that the first labor-saving device was robbery. Perhaps so, but I'm convinced that the overwhelming majority of us would still rather work for a living than to steal (illegal plunder) or to demand handouts from government (legal plunder). The minority of us who wouldn't, however, is large enough to warrant our serious attention, especially since that minority is growing.

Frederic Bastiat believed, as set forth in *The Law*, that there is a "tendency that is common among people. When they can, they wish to live and prosper at the expense of others. This is no rash accusation. Nor does it come from a gloomy and uncharitable spirit. The annals of history bear witness to the truth of it: the incessant wars, mass migrations, religious persecutions, universal slavery, dishonesty in commerce, and monopolies. This fatal desire has its origin in the very nature of man—in that primitive, universal, and insuppressible instinct that impels him to satisfy his desires with the least possible pain.

"Man can live and satisfy his wants only by ceaseless labor; by the ceaseless application of his faculties to natural resources. This process is the origin of property.

"But it is also true that a man may live and satisfy his wants by

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This is one of a series of articles examining current interventions of the welfare state in the light of warnings from the French economist and statesman, Frederic Bastiat (1801–1850).

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seizing and consuming the products of the labor of others. This process is the origin of plunder.

"Now since man is naturally inclined to avoid pain—and since labor is pain in itself—it follows that men will resort to plunder whenever plunder is easier than work. History shows this quite clearly. And under these conditions, neither religion nor morality can stop it.

"When, then, does plunder stop? It stops when it becomes more painful and more dangerous than labor.

"It is evident, then, that the proper purpose of law is to use the power of its collective force to stop this fatal tendency to plunder instead of to work."

Pain vs. Pleasure

Bastiat's "pain-pleasure" explanation of economic activity was also favored by several of the early English economists. And it's still popular today as a basic explanation for using machines to replace human labor. In that connection, it shows up in several of Bastiat's stories and explanations.

Whether or not Bastiat was justified in including all of us (mankind) in his identification of a "fatal tendency to plunder instead of to work," it's impossible to deny that it applies to a large (and growing) minority of us. And from time to time, it may well indeed apply to all of us. Increasingly we American people are turning to our government to solve our social and economic problems. Examples of this "fatal tendency" are programs to support farm prices, minimum wage laws, protective tariffs and other restrictions against international trade, subsidies to start businesses and more subsidies to stay in business, government-supported medical care, compulsory unionism, and a thousand other programs whereby our government takes money from those who have earned it and gives it to those who haven't, i.e., legal plunder.

At one time or another, it's almost certain that all of us did (and probably still do) support a few of these government programs whereby we profit at the expense of others, perhaps without even realizing it. As merely one example of the cause—and the terrible consequences—of this philosophy in action, I'll here concentrate on the familiar social welfare programs of our state and federal governments. And since our most precious resource is our children, I'll pay special attention to the various government programs designed to help young people.

I'm convinced that these social welfare programs are doing far more harm than good to our children. They are destroying far more young people (along with us parents) than they are helping.

I'm well aware of the seriousness of that accusation, but the proof is

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painfully obvious. Just look around you at what's going on among the "disadvantaged" teen-agers in our crime-ridden cities. Murder, mutilation, rape (so casually that one is reminded of rabbits), drugs, arson, grand theft. You name it and observe that it has doubled, trebled, and quadrupled as our various government welfare agencies have begun to double, treble, and quadruple their spending programs to improve the situation.

I find a positive correlation between the two. For every additional billion dollars spent by government to help disadvantaged children, the number of children joining street gangs—or turning alone to violence—goes up in proportion. The positive relationship between increased social programs by government to help disadvantaged children and a corresponding increase in juvenile crime isn't even open to serious debate; it's clearly there for everyone to see. Try as you will, you can't avoid seeing it. It's "staple diet" for newspapers, magazines, movies, documentaries, and the evening news on TV.

And always where you find the most government welfare workers and programs and money, you also find the largest number of corrupted (destroyed) young people. Always. And I'm not greatly impressed by the statistician who argues, "Look, dummy, the reason the most welfare workers and dollars are there is because the high crime rate brought them there." Not so; the welfare programs themselves are the cause of the increased crime rate.

Plunder Sanctioned

As Bastiat warned us, once legal plunder becomes socially acceptable, the fatal tendency is for all to join in. The result is disaster. In due course, the distinction between legal plunder and illegal plunder tends to blur. The justification offered by the recipients of *legal* plunder is that, in one way or another, they're "disadvantaged" and really need the money. The rationalization offered by the *illegal* plunderers is markedly similar. Just ask them. They're never guilty, not really. It's not their fault they were born poor—and you rich. Also, it's not fair.

I remember well when our best people—our ministers and teachers, as well as the sociologists—promised a decrease in criminal activities among our youth if disadvantaged children were only given better educational facilities (most especially integrated government schools to make everybody equal), better medical care (which would be free, of course), a better diet (which could best be realized in a dignified fashion through the use of food stamps and similar allotments), public housing (with subsidized rents or no rents at all), and so on and so on.

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Since most of us really do want to help—and since the promised results were so desirable and enticing—we initiated every social program asked for. The situation deteriorated. We doubled the number of welfare programs and quadrupled the amount of tax-money to support them. The situation got worse; there was more poverty and crime, not less. We passed new laws and voted even more money; much of it to build more prisons to house the criminals created by the social programs.

Now I'm well aware that some people *were* helped, but the net result has been disaster—most especially for the disadvantaged children who must suffer the fearful consequences of these misguided programs that tend to keep them confined permanently to their crime-ridden slums. Some dispensers of government aid actually noticed that result, and suggested razing the slum buildings and replacing them with large apartment complexes. It was done, on a massive scale—not really *for* the disadvantaged people, but *to* them.

I really can't condemn the teenagers unduly for burning down the houses, destroying the elevators, and swapping the food stamps for drugs. At least that action brings temporary excitement and good feeling to hopeless lives. I understand because, I too, was a disadvantaged kid; after several years of poverty and stealing, I finally ended up in an orphanage at age 12. And had I been located in one of those "neighborhoods of the lost"—instead of in a village in the mountains—I've no doubt I'd have been a gang member, and probably a gang leader.

And do remember, please, that this situation is totally unrelated to color; I'm white, as are most of the young (and adult) criminals I've known. In fact, I'm not personally acquainted with even one black criminal. Even so, I doubt you'd have too much trouble finding black and brown and oriental criminals, and doubtless a few native American criminals also—especially if they're on government welfare rolls.

If I sound bitter, it's because I am—not at the disadvantaged children who are sinking ever deeper into the growing quagmire of violence and crime, but at us "good people" who turned to government (the police force) for a solution to social problems that must be solved voluntarily or not at all. As Bastiat said, there is a fatal tendency in all of us to turn to legal plunder (when it's readily available) to do for us (and others) what we should properly do for ourselves (and others).

There's a clear reason for the degrading results of these programs. They appeal to our worst emotions instead of our best. All human

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beings are a combination of both good and evil impulses and desires. (Feel free to define the terms "good and evil" any way you like; whatever definition pleases you, that's the one I'm here using.) The current welfare programs are designed to appeal to our greed, to our desire to avoid personal responsibility and to use our money and efforts exclusively for our own material wants. They appeal to our acquisitive instincts, to our natural impulse to camouflage our actions by rationalizing them, to our desire to live at the expense of others (legal plunder) by claiming a "human right" to do so. They cater to our willingness to "conceal" in order to increase physical well-being and gratification. They are designed to exploit our propensity to see all issues in terms of immediate and personal needs and wants. Those programs encourage our desire to justify selfish actions by claiming we're doing it for the good of others—especially for children and old people. These welfare laws con us into dreaming of how we think life ought to be instead of facing life as it really is. We tend to become planners instead of producers.

And when the number of planner-recipients approaches the number of exploited producers, the programs fail—e.g., the ratio of producers to receivers in our Social Security program (all forms) has dropped from 15 to 1, down to less than 3 to 1, and is still going down steadily. If it weren't so desperately tragic for so many millions of gullible people, one might laugh at our frantic efforts to prop up an obvious diasaster for a "few more years."

A Selfish Approach

In short, our government welfare programs are designed to appeal to our selfish and nonproductive instincts, and in no way to our generous and productive instincts. The end result of that approach necessarily must be disaster—most especially for the increasing number of disadvantaged children who are being created and victimized by it.

This result is guaranteed by a universal principle of human action we all understand and follow, i.e., if you want more of anything (including children) you can increase the production of it by paying more. You and I live and work and produce according to that principle every day. So does everyone else, in all nations and under every form of government. It determines how many cars are produced, as well as how much cocaine is made available. Here are a few examples of how this principle works in the area of welfare programs and children (birth rates), an area of increasing importance all over the world.

In Sweden, the low birth rate is of great concern to the government; it

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wishes to increase it. And the allocation of scarce housing is one of several welfare programs the Swedish government uses to encourage the production of more Swedish babies. (This objective and procedure isn't some evil idea they're concealing; the program is discussed quite openly.)

During my two visits to Stockholm in the 1960s, I found that the waiting time for an apartment was from four to ten *years*. But a woman could move to the top of the waiting list for scarce and low-rent housing if she became pregnant. That's a most persuasive production bonus in a society where there's a housing shortage.

Here in the United States, we don't discuss this same issue and procedure at all openly. In fact, we usually deny it. But the result here is the same as in Sweden, whatever our intentions; welfare mothers with four children necessarily get "more housing" than do welfare mothers with only one child. That's quite understandable, and I don't know any other logical way the government could administer its welfare programs. I do know, however, what the results are likely to be.

Here's a personal incident that happened in Bastiat's own country; it's a story he'd have enjoyed, and would certainly have used in one of his speeches to his fellow-legislators in the Chamber of Deputies. In France with its declining birth rate, a friend of mine in Paris is paid far more (directly and indirectly) by government for his five young children than he's paid (take home) by his employer. He once joked to me that his family is a two-job, two-income family; his wife is paid for producing children while he's paid for producing lectures. And since her product is more in demand than his, understandably she's paid more. He laughed (a bit wryly, I thought) as he concluded, "If I can persuade her to produce just one more, I can retire."

Subsidized Babies

We never point out that same connection between income and children in the United States. We merely list (without explaining why) the increasing number of households without a working male parent. In our metropolitan areas, the payment of various direct and indirect subsidies to families with dependent children usually adds up to considerably more than the parent could earn at any available job. And so on, in every nation of the western world, with the government using various welfare programs to encourage the production of more human beings, sometimes admitted and sometimes denied. (In China, this same principle is followed, but in reverse; the more children you have, the *less* government aid you

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get. The *principle,* of course, works negatively as well as positively.)

In college sociology texts, the authors sometimes demonstrate their deductive ability by explaining why families on farms used to be so large, while city families were usually smaller. "Children on farms were an economic asset to their parents," they explain, "while city kids were an economic cost." So far, so good; I understand the principle and how it works. But then they frequently spoil it by adding, "Of course, that's not true today, either on farms or in cities." You want to bet?

In fairness to the governments of Sweden and France, however, I must add that those subsidized children are not thereby "disadvantaged" any more than are the citizens in general. After all, the nation needs those children, for one purpose or another. Thus the subsidies don't lock them into a situation that's likely to turn them toward crime in an effort to get out. But that's not the situation at all here in the United States where the high birthrate among welfare families (of *all* colors) tends to insure that most of those disadvantaged and subsidized children are likely to remain in their deadening locations with little hope of ever moving up. There just doesn't seem to be many ways for them to escape from it—except by the always-present and seemingly-attractive route offered by crime.

When I try to discuss this problem with some of my more "socially conscious" colleagues, they tend to become somewhat incoherent and begin sputtering inane remarks like, "What would you do, let them starve?"

No, I wouldn't. And neither would you. It's just that in our sincere desire to help, we've collectively chosen the wrong direction. I agree with Bastiat who claimed that the primary cause of our increasingly destructive social problems is a drift away from independence and responsibility and into a subservience to government that comes automatically when we engage in legal plunder. The central theme of his book, *The Law,* is that if government devoted itself solely to protecting equally the lives, liberty, and property of everyone, then peace and prosperity would soon be the natural state of affairs.

As Bastiat summarized it: "If everyone enjoyed the unrestricted use of his faculties [liberty] and the free disposition of the fruits of his labor [i.e., private property in a free market economy], social progress would be ceaseless, uninterrupted, and unfailing."

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Charles H. Hamilton

THE *Freeman*: The Early Years

WHEN the *Freeman* first appeared on October 2, 1950, it was carrying on a distinguished history of political journalism. The original *Freeman* under the tutelage of Albert Jay Nock, had begun publication in 1920, a wonderfully successful venture lasting four years. In 1930, Suzanne La Follette, who had been Nock's assistant at the older *Freeman*, began the *New Freeman*, which lasted for fourteen months. Thus it was that the lead editorial in October, 1950, lamented: "For at least two decades there has been an urgent need in America for a journal of opinion devoted to the cause of traditional liberalism and individual freedom. The *Freeman* is designed to fill that need."[1]

In post-World War II America there were published a few small conservative magazines like *Human Events*, *analysis*, and *Plain Talk*, but there were none like the liberal *New Republic* or *Nation* that could influence and focus national attention on conservative issues and answers. Within that milieu, it would be difficult to overestimate the importance of the *Freeman* to the development of modern-day conservative and libertarian sensibilities. All the internal controversies and

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tensions that characterize a fledgling political faith were contained in its pages. With great verve, it leveled criticisms at liberal domestic and foreign policies and tried to present viable alternatives.

By the end of 1955, when new owners changed the nature of the magazine, a self-conscious and relatively coherent movement had evolved. If "creeping conservatism" was "the grand trend of the 1950s" as Clinton Rossiter believed,[2] then the *Freeman* had been its professional and articulate journal of opinion.

The *Freeman* developed out of the perceived need to get beyond the militantly, and unrelievedly, anti-Communist journalism of *Plain Talk*. Within two years of its founding in October, 1948, *Plain Talk* editor Isaac Don Levine, journalists John Chamberlain and Henry Hazlitt, and financial backers Alfred Kohlberg and Jasper Crane wanted, in the words of Chamberlain, to: "go on to something more positive. . . . The fight [against Communists] has been won domestically . . . We want to revive the John Stuart Mill concept of liberalism."[3] Plans were begun for a new magazine, and in short order $200,000 was raised with the active help of Kohlberg, Crane, Sun Oil magnate J. H. Pew, and ex-President Herbert Hoover. The first issue of the *Freeman* went to 6,000 subscribers (5,000 from *Plain Talk*). Thirty-one thousand promotional copies were also distributed.

The editors were to be Isaac Don Levine, John Chamberlain, and Henry Hazlitt. When Levine dropped out of the plan, Suzanne La Follette was added. These three well-known journalists, who had been perceived as radicals in the 1930s, would now edit a conservative fortnightly.

Chamberlain had been variously an editor or book editor for the *New York Times, Harper's,* and *Fortune*. He had written an important critique of progressivism, *Farewell to Reform*. In addition to general editorial responsibilities, he would contribute "A Reviewer's Notebook," a valuable column which he continues to write today. Hazlitt had succeeded H. L. Mencken at the *American Mercury* and for many years had served on the editorial staff of the *New York Times*. He was the author of the popular introduction to free market economics, *Economics in One Lesson*. Hazlitt would work part-time so that he could continue as a columnist for *Newsweek*. La Follette, who had been a contributing editor for *Plain Talk*, became the managing editor.

The *Freeman*'s board of directors represented heavyweight individualism. Academic representation including Ludwig von Mises, Leo Wolman, and later Roscoe Pound.

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From "The Faith of the *Freeman*"

It will be one of the foremost aims of the *Freeman* to clarify the concept of individual freedom and apply it to the problems of our time. Its basic principles and broader applications have long been embodied in the classic liberal tradition. That tradition has always emphasized the moral autonomy of the individual. Real morality cannot exist where there is no real freedom of choice. The individual must be free to act as his own conscience directs, so long as he does not infringe upon the equal rights of others.

The true liberal tradition has always placed great emphasis on economic liberty. It is particularly of economic liberty that communists, socialists, government planners and other collectivists have been most openly contemptuous. Yet it is not too much to say that economic freedom, as embodied in the free market, is the basic institution of a liberal society. . . .

The *Freeman* is launched in the faith that there is a substantial body of readers in America who share these ideals, and who will rally to a periodical dedicated to their reaffirmation.

Donald Cowling (Carleton College), Leonard E. Read (Foundation for Economic Education), and H. C. Cornuelle (Volker Fund) were also on the board. Businessmen were represented by Henning W. Prentis (President of Armstrong Cork), Alfred Kohlberg (wealthy importer), W. F. Peter (Vice President of the Chicago, Rock Island and Pacific Railroad), and Lawrence Fertig (Fertig Advertising). Successful publisher Alex Hillman and Claude Robinson of Opinion Research were later added to the board.

The *Freeman* rested its perspective firmly on the principles of the classical liberal tradition.[4] These were succinctly set forth in the first issue in Henry Hazlitt's editorial, "The Faith of the *Freeman*."[5] Of primary importance, he wrote, was a belief in the moral autonomy of the individual, without which there could be no freedom. Second, individual liberty necessitated a free market, "the basic institution of a liberal society."[6] It was this that set the true liberal or libertarian society apart from all forms of collectivism. Finally, the editorial gave more moderate expression to Dorothy Thompson's short poem, "I hate, the State."[7] The rule of law, decentralization of power, and local autonomy stood as barriers against the natural self-aggrandizing tendencies of government. A year later, Hazlitt wrote

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another important editorial in defense of "the existence and power of ideas" against those "friends of free enterprise" who "can only fume and sputter."[8] The editorial went on to point out that intellectuals set economic and social fashions and that it was absolutely necessary to "make converts. . . . It is the aim of the *Freeman* to address itself specifically to the leaders and moulders of public opinion and to thinking people everywhere, in order to help create a healthier climate for the preservation of free enterprise and the liberty and moral autonomy of the individual."[9]

Concern About the Threat of Soviet Communism

The sentiments expressed in "The Faith of the *Freeman*" and in "The Function of the *Freeman*" were never fully realized. Until 1956 the major topic of discussion in the pages of the *Freeman* was how America should respond to the threat of communism—specifically Soviet communism. The principles of classical liberalism seemed to offer little guidance in such a struggle. The fear of communism and the pressing need to defeat it challenged deep-seated anti-statist and free market convictions: "We are being forced to spend billions and to arm and to tax and to interfere with the freedom of the market for one reason alone, and that reason is Kremlin Joe's overriding purpose to subvert the world."[10]

A strongly interventionist foreign policy position developed from the articles of Suzanne La Follette and John Chamberlain, and from contributors like Bonner Fellers, William Henry Chamberlin, William Schlamm and Alice Widener. They hoped that the resultant powerful American State would only be temporary. When, for instance, John Chamberlain supported a temporary draft in late 1950, he appended this fearful caveat: "But don't let us make the mistake of thinking that the values of Athens can be maintained by changing our society into a Sparta for all time."[11]

Other writers feared that the ultimate value of freedom was being corrupted, perhaps permanently, by fear. Contributors like John T. Flynn, Garet Garrett, Louis Bromfield, and Frank Chodorov stood up for the Old Right position of nonintervention and warned that freedom would be lost in a wrongheaded attempt to protect it. A massive and continuing military presence throughout the world would lead, Garrett predicted, to "the institution of perpetual war" at home.[12]

In the case of Korea, the *Freeman* voiced extreme displeasure at Truman for his militarily "untenable" dispatch of Americans to the Asian continent.[13] Its contributors debated whether withdrawal from Korea

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was prudent, but the editors hinted at preventive war elsewhere in that case: "we should obviously strike elsewhere to keep the military and moral consequences of this defeat from being too great."[14] It was imperative that the western Pacific not be lost to communism as eastern Europe had been lost. Rearming Japan, supporting Chiang Kai-shek and liberating mainland China were seen as appropriate goals. Indeed, as one editorial commented, "The Pacific Ocean is an American lake."[15]

At the same time, contributors wrote about the limitations on American foreign policy. It was pointed out that 140 million Americans could not save the world. Articles called for the nations of the world to assume their full share of the fight against communism. It became imperative, the *Freeman* advanced, for America to disentangle itself from uncertain allies and inappropriate and limiting alliances: "One of our fundamental mistakes was our well-meant effort to 'assume world leadership.' "[16]

This was not the traditional right wing isolationist position, however. Nor was it a call for a containment policy, which was often criticized in editorials and by James Burnham, author of *The Struggle for the World* and *The Coming Defeat of Communism,* both of which argued the case for the liberation of enslaved countries.[17] It was a call for the use of autonomous American strength. Unilateral and interventionist actions were necessary, conservatives believed, to protect the United States and save the world from communism, and the *Freeman* became a spokesman for such views.

Political Affairs

The *Freeman* regularly commented on political affairs. It severely criticized the Truman administration for many of its economic policies, ranging from price controls to the takeover of the steel industry. With respect to Korea, an editorial in early 1951 caused quite a furor when it called for Truman's resignation because of his "clear usurpation of the constitutional prerogative of Congress."[18]

In late 1951 and in 1952, editorials and articles debated the pros and cons of Taft, Eisenhower and MacArthur for the Republican Presidential nomination. While the *Freeman* never officially endorsed a candidate, its criterion was clear: "a good candidate must grasp the Communist nettle firmly."[19] And it acknowledged that it followed Taft "as a benchmark" when it came to foreign and military policy.[20]

Compared to foreign affairs, however, domestic economic and social issues received limited attention: from Henry Hazlitt, economists Ludwig von Mises, Leo Wolman,

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and F. A. Hayek, and a few others like businessman Edward F. Hutton and lawyer C. Dickerman Williams. As important as domestic problems were, a late 1952 editorial pointed out that they "must play second fiddle to the overriding considerations of foreign policy. If we can take care of Joe [Stalin], we can take care of everything else. There is nothing that an effective foreign policy can not cure."[21]

The *Freeman* rarely published the exposés of Communist terror that were common in *Plain Talk*. The consensus seemed to be that, as evil as communism was, the danger did not come from "any exceptional cunning of our enemies. The Communist design of world conquest is one of the most open conspiracies in history."[22] Rather, the *Freeman*'s authors believed the danger lay with America's liberal leaders. Liberalism was, in conservative eyes, essentially a form, albeit more benign, of the same collectivist and economic ideology that made up the Communist doctrine. The beginnings of a critique of "social communism" and of liberal ideology developed out of this analysis. The problems facing America were less ones of agents and treason and more ones of the ideological weaknesses and susceptibilities of liberalism.

This discussion of ideas seemed too theoretical to editors La Follette and Forrest Davis (who became the fourth editor in May 1952) and many of the contributors. As they discussed day-to-day politics and personalities, the lines between liberal and "pink" and agent often became blurred. Widespread treason in many areas of American society was alleged. Numerous articles came to question at least the intelligence and often the loyalty of Owen Lattimore, Dean Acheson, Alger Hiss, and General Marshall.

The McCarthy Era

It was within this context that Senator Joseph McCarthy became a *cause celebre* for the *Freeman*. While rarely conservative in his economic and social views, McCarthy nonetheless struck a responsive chord among many conservatives in his attempt to eliminate alleged Communist agents and influence in government. He was successful in gathering attention and support from the American people—whatever his methods—and that was the important point, as young writer William F. Buckley made clear in his first article for the *Freeman*: "if we want to help forge national policy, we must not allow our predispositions for clean and objective political techniques to influence too heavily our judgments of candidates and their aims. . . . we must search out today only the general aims we find congenial and the men who seek to realize them."[23]

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By late 1952, the *Freeman* had 22,000 subscribers, was edging toward self-sufficiency, and was firmly established "at the gates of our liberty like a heroic watchman, unafraid and dedicated."[24] At this same time, however, a series of internal conflicts developed and then it went through a number of ownership changes. By the end of 1955, it had been replaced as *the* conservative journal of opinion.

There were no clearly drawn camps in the initial controversies. Hazlitt and many of the board members felt the other editors had become too intemperate and had too intensely embraced McCarthyism. The editors also clashed with board members over who controlled editorial policy. And finally, the strong pro-Taft sentiment expressed by Chamberlain and Davis did not sit well with many of the board members who supported Eisenhower or wanted the *Freeman* to remain neutral until after the Republican convention.

These difficulties made it impossible for the magazine to run smoothly or to raise funds. In late October 1952, Henry Hazlitt resigned. The struggles between the board and the remaining editors continued, however. Four months later, Chamberlain, La Follette, and Davis resigned, and with the issue of February 23, 1953, Hazlitt came back as the sole editor.

A Return to Classic Liberal and Free Market Principles

Hazlitt tried to direct the *Freeman* back toward classical liberal and free market principles. He tried to steer away from personalities, and in "Let's Defend Capitalism" wrote a powerful critique of "those who think 'anti-Communism' is itself a sufficient ground for unity. Communism, they say, is not a doctrine that needs to be dissected, but a conspiracy that needs to be suppressed . . . The true opposite of Communism is Capitalism. The Communists know it, but most of the rest of us don't. This is the real reason for the ideological weakness of the opposition to Communism."[25]

Despite his ascendency, Hazlitt left the *Freeman* at the beginning of 1954 to pursue other interests. For the next six months, the day-to-day work fell to Florence Norton as Managing Editor (she had previously been Managing Editor of the *American Mercury* and was a protégé of Max Eastman who published frequently in the *Freeman* during this time). By June, it looked as if the *Freeman* might have to cease publication. After three and a half years, it had lost $400,000. Board member Leonard E. Read offered to buy it for the Irvington Press, owned by The Foundation for Economic Education. A number of board members were against the sale, but it finally was accepted.

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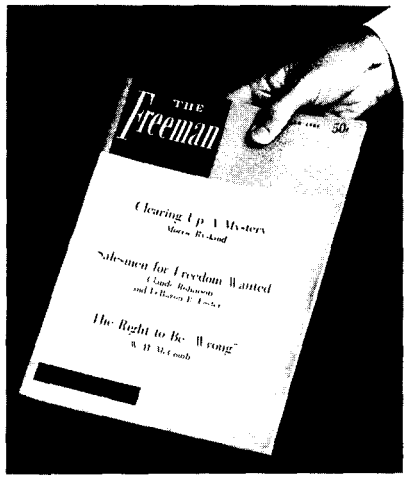
The new publisher of the *Freeman* (now a monthly) was quick to emphasize that the magazine would be independent of The Foundation for Economic Education. It would "be a 'house organ' for the libertarian faith."[26] The new editor was Frank Chodorov, who from 1944 to 1951 had published the libertarian monthly, *analysis*. At 68, he was well-known in conservative circles for his uncompromising individualism, his emphasis on free market solutions to problems, and his strong anti-statist and anti-war views.

The number of articles on domestic and economic affairs increased, but the major articles remained centered on foreign affairs and the Communist threat. With Chodorov speaking clearly for the non-interventionist side, "The Dilemma of Conservatives," as William F. Buckley called it, became quite explicit. "It is a pity," he wrote in August 1954, "that yet one more difference will divide the waning conservative movement in the United States. But the issue is there, and ultimately it will separate us."[27]

A major debate on the subject occurred in the September and November 1954 issues between Chodorov and William S. Schlamm (formerly assistant to Henry Luce and a *Freeman* contributor). In two articles, Chodorov spoke for the Old Right, emphasizing that the threat of communism was largely ideological and that it needed to be opposed by better ideas. To turn away from the free market and individualism, and to increase state power and prepare for war, would, he warned, be "certain to communize our country" no matter what the military outcome.[28] Schlamm, after asserting that Chodorov ignored the problem of communism in favor of easy and high-sounding words, reiterated a common theme when he wrote: "we had better try, as responsible men, to defeat the implacable foe before, by our own default, he has become invincible . . . [I am willing] to pay with the recoverable loss of some of my liberties for a chance to avoid, for centuries, the total loss of freedom."[29]



A Freeman *cover dating from 1955.*

The last word from the Old Right

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on this subject—in the *Freeman*—came from Chodorov. He commented on the large percentage of all manuscripts he received that treated the subject of communism: "We are, of course, opposed to communism, but no more so than we are opposed to fascism, or socialism or any other form of authoritarianism. But we are also *for* something—a thing called freedom. Sometimes as I read these anti-communist manuscripts, an unkind suspicion comes upon me; are these writers *for freedom* or only *against communism*?"[30]

Those advocating intervention nevertheless won the day. Both Murray N. Rothbard and William F. Buckley (on opposite sides of the debate) have commented on how quickly and completely the interventionist position became the conservative position.[31] What had been the continuing thrust of most conservative opinion, as expressed in the *Freeman*, was solidly ensconced by late 1955.

Financial problems continued to plague the *Freeman* during this period. Losses reached nearly $90,000 since it was taken over by The Foundation for Economic Education in May, 1954. And since the *Freeman* had always been somewhat outside FEE's thrust of promoting economic and moral principles, it was decided to integrate it more fully into their educational program. Beginning with the January, 1956 issue, the *Freeman* became "the major carrier of FEE releases."[32] A smaller size was adopted, and it became a controlled circulation publication with a circulation of about 44,000. Dr. Paul Poirot, who came to FEE in 1949 and had previously been a Cornell University economist, has been the Managing Editor ever since.

The *Freeman* had been *the* journalistic vehicle "of the libertarian reconstruction after World War II."[33] It had formed and reflected the development of a rather inchoate gathering of conservative and libertarian authors into a self-conscious and active intellectual movement. However, the first issue of *National Review* in November, 1955 symbolized the institutionalization of the more traditionalist and anti-communist threads of that resurgence. During Frank Chodorov's tenure as editor, the *Freeman* had become a rear-guard action for the classical liberal and libertarian strains in the American right-wing. Whether seen as a tragedy or the necessary rejection of an outmoded individualism, a new era had begun for the American conservative movement.

Since 1956, the *Freeman* has played a different kind of crucial role. It has quietly emphasized the free market, private property, and especially the moral and spiritual underpinnings of a free society

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when conservatives and libertarians have often preferred to focus on other topics. The conservative and libertarian resurgence might have been stillborn, however, without those early years of the *Freeman*.

—FOOTNOTES—

[1]"The Faith of the *Freeman*," *Freeman* 1 (October 2, 1950):5.

[2]Clinton Rossiter, *Conservatism in America* (New York: Alfred A. Knopf, 1964), p. 4.

[3]"The New *Freeman*," *Time* 56 (October 16, 1950): 47–48.

[4]In fact, the *Freeman* rarely described itself as conservative, using, for instance, subtitles like "A Fortnightly for Individualists," "A Monthly for Libertarians," and since 1956 simply "Ideas on Liberty."

[5]Editorials were unsigned. Author attributions, when given, are based on notations made by Henry Hazlitt in the office copy of volume one of the *Freeman*, or on discussions with John Chamberlain and Henry Hazlitt.

[6]"The Faith of the *Freeman*," *Freeman* 1 (October 2, 1950):5.

[7]Dorothy Thompson, "Hymn for Today," *Freeman* 1 (July 2, 1951):623.

[8]"The Function of the *Freeman*," *Freeman* 2 (December 31, 1951):198, 197.

[9]*Ibid.*, pp. 197, 198.

[10]"Ike's Mission," *Freeman* 3 (December 1, 1952):152.

[11]"Mania for Compulsion," *Freeman* 1 (November 13, 1950):104.

[12]Garet Garrett, "A New Key to Power," *Freeman* 2 (July 14, 1952):695.

[13]"Our Political Paralysis," *Freeman* 1 (December 25, 1950):198.

[14]"For a New Foreign Policy," *Freeman* 1 (January 8, 1951):229. Also see "The Element of Surprise," *Freeman* 1 (February 26, 1951): 325–326.

[15]"No Substitute for Victory," *Freeman* 4 (May 17, 1954):583.

[16]"Time for Disentanglement," *Freeman* 3 (September 7, 1953):874.

[17]See, for instance, "George F. Kennan: Policy-Guesser." *Freeman* 2 (February 25, 1952):325–326 [written by Suzanne La Follette and Alice Widener], and James Burnham, "Critique of Containment," *Freeman* 3 (February 9, 1953):331–334.

[18]"Why Truman Should Resign," *Freeman* 1 (January 22, 1951):261.

[19]"Facing the Convention," *Freeman* 2 (July 14, 1952):693.

[20]*Ibid.* Also see "Bob Taft's Foreign Policy," *Freeman* 2 (December 17, 1951): 165–166.

[21]"Ike's Mission," *Freeman* 3 (December 1, 1952):152.

[22]William Henry Chamberlin, "Can We Escape From Victory?," *Freeman* 1 (April 23, 1951):467.

[23]William F. Buckley, "Senator McCarthy's Model?" *Freeman* 1 (May 21, 1951):533.

[24]Taylor Caldwell, "Birthday Greetings," *Freeman* 3 (October 20, 1952):43.

[25]"Let's Defend Capitalism," *Freeman* 3 (February 23, 1953):367, 368.

[26]"From the New Publisher," *Freeman* 5 (July 1954):5.

[27]William F. Buckley, "The Dilemma of Conservatives," *Freeman* 5 (August 1954):52.

[28]Frank Chodorov, "A War to Communize America," *Freeman* 5 (November 1954):174. Also see his editorial, "The Return of 1940?," *Freeman* 5 (September 1954):81–82.

[29]William S. Schlamm, "But It Is Not 1940," *Freeman* 5 (November 1954):171.

[30]"An Editorial Problem," *Freeman* 5 (September 1955):630.

[31]George H. Nash, *The Conservative Intellectual Movement in America* (New York: Basic Books, 1976), p. 126.

[32]"The Growth of An Idea," *Freeman* 6 (February 1956):44.

[33]Nash, *The Conservative Intellectual Movement in America*, p. 31.

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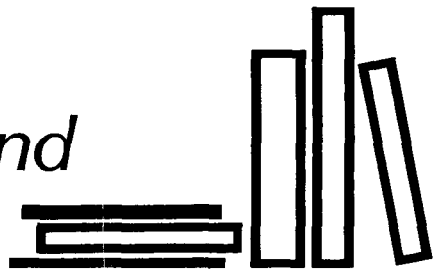
Losing Ground



A standard approach to Welfare State philosophy is to consider its effect on society as a whole. By removing all the penalties of life, by making the procession from cradle to grave an easy one regardless of one's ability to contribute to the sums available to pay for schools, insurance and three square meals a day, the Welfarist philosophy destroys initiatives on a universal scale. The result is social stagnation, a society without the profit margins required to encourage inventiveness of any kind. With the fall-off of productivity the Welfare State must turn to inflation to finance itself. But that is a blind alley, as we are now discovering all over the Western world.

Charles Murray, the author of *Losing Ground: American Social Policy 1950–1980* (Basic Books, 10 East 53rd Street, New York, NY 10022, 323 pp., $23.95) is very much alive to what the ascendancy of Welfarist thinking has done to society as a whole. But the unique feature of his book is that he doesn't waste his time crying over the fate of the democratic majorities who have voted for all the Entitlement programs that are now weighing us down. We deserve what we unwittingly invite, which will be next to nothing when all the entitlements cancel out with the inevitable destruction of the currency. Mr. Murray's immediate concerns lie elsewhere—he is worried about the here-and-now effect of the Welfarist philosophy on the poor themselves.

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As his title suggests, they have been "losing ground" ever since Michael Harrington discovered "poverty" back in the Nineteen Fifties.

The proof of lost ground lies in the statistics—after thirty years of the Fair Deal, the New Frontier and the Great Society, we have created a whole group at the bottom of the social order who have a vested interest in remaining poor. It is just as Jack Kemp has said: if you subsidize something, you get more of it. Out of a misplaced generosity we have done irreparable harm to thousands of individuals, many of them black, who have been deprived of *reasons* to try to escape from the poverty trap.

The Basic Trouble: "Homogenizing" the Poor

The basic trouble, as Mr. Murray sees it, is that in rejecting the concept that individuals are responsible for their own behavior we have "homogenized" the poor. If Society is to blame for their plight, they are all alike in their victimization. Prior to 1950 our social order made a distinction between the "deserving" and the "undeserving" poor. There was undoubtedly a lot of hypocrisy in the way the rich spoke of the latter category, but at least there was a status distinction that permitted the self-respecting poor family to face the world with a will to do better for its children.

When social payments to the poor became a right, not a charity, status was denied to the struggling family that was doing its best to "make it" without becoming a burden to others. What followed worked a particular hardship on blacks in the new northern ghettos. With as much money available from relief of various sorts—unemployment benefits, food stamps, and whatever—as might be obtained by pressing an ironing board in an overheated laundry, one would have to be a fool to take a job on a permanent basis. Short-run considerations came to dominate the situation. The young in the ghettos got the general idea: work as little as possible, take the hand-out, indulge in crime when it seemed safe to do so, scoff at the homilies of teachers, and try a little heroin as a natural sequel to marijuana.

The new morality, which made light of a man's responsibility toward a family, turned the generous provisions of the Aid to Families with Dependent Children legislation into something that was totally unintended. AFDC made it profitable for a teen-age girl who wanted to escape from an uncongenial home environment to use an illegitimate child or two as her meal-ticket to an independent life. The Supreme Court made it legal for a man to move in and out of an established apartment, but with no compulsion

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to contribute to his own children's upbringing.

A Choice

In his search for a solution Mr. Murray asks himself an uncomfortable question. "Let us suppose," he says, "that you, a parent, could know that tomorrow your own child would be made an orphan. You have a choice. You may put your child with an extremely poor family, so poor that your child will be badly clothed and will indeed sometimes be hungry. But you know that the parents have worked hard all their lives, will make sure your child goes to school and studies, and will teach your child that independence is a primary value. Or you may put your child with a family with parents who have never worked, who will be incapable of overseeing your child's education—but have plenty of food and good clothes, provided by others."

Mr. Murray doesn't have to reach very far for his answer. In choosing the poor but respectable family to take care of his hypothetically orphaned child he wonders how anyone can justify the support of a system that indirectly makes the other choice for other children.

When he comes to prophesy for the future, Mr. Murray is careful to distinguish between the probable and the possible. With an eye to the political situation he says "Congress will not abolish income-maintenance for the working-aged. The public school system is not in jeopardy of replacement by vouchers. The federal government will not abandon legalized racial discrimination when it is thought to help the underdog. More generally, it is hard to imagine any significant reform of social policy in the near future."

But, having said this, Mr. Murray holds out a hope that "when reforms finally do occur, they will happen not because stingy people have won, but because generous people have stopped kidding themselves."

His own proposal is to "repeal every bit of legislation and reverse every court decision that in any way requires, recommends, or awards differential treatment according to race." He wants to get back on the track toward a color-blind society that we left in 1965. "Race," he says, "is not a morally admirable reason for treating one person differently from another. Period." He might have added "no kidding."

Would something terrible happen, he asks, if we could abolish the whole Federal welfare package? Teen-age mothers would have to rely on support from their parents, or the father of the child might have to go to work. Sons and daughters who fail to find work would have to live a bit longer with their parents.

They did it before 1950. Surely it could be done again.

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THE EVOLUTION OF COOPERATION
by Robert Axelrod
(Basic Books, 10 East 53rd Street, New York, New York 10022), 1984
241 pages, index ■ $17.95

Reviewed by Jane M. Orient

IN THE BELIEF that nice guys always finish last in the marketplace, an arena of harsh Darwinian natural selection, many propose to ration freedom. The Invisible Hand, assuring that the market works to the advantage of all as each pursues his own self-interest, is in such disrepute that Axelrod doesn't seem to recognize that his experiment in game theory has given this "myth" a solid theoretical foundation.

Nature is not always red in tooth and claw. A close study of biology reveals abundant instances of cooperation, even apparent altruism. Human history shows that bitter enemies may practice reciprocity under certain circumstances, as in the trench warfare of World War I, when both sides frequently refrained from shooting. Cooperation among rivals in business may develop all too readily in Axelrod's view; understanding the mechanism may help prevent collusion.

Axelrod's paradigm for the evolution of cooperation is the game of Prisoner's Dilemma, invented about 1950 and the subject of a voluminous literature, particularly in the field of psychology. Though one round of this game evokes dog-eat-dog competition, in the iterated version, straightforward cooperation outcompetes deviousness and treachery, rather to everyone's astonishment.

The classic Prisoner's Dilemma is employed by prosecutors to get accomplices in crime to inform on each other. An easily understood variant is a business transaction. Suppose that a man who possesses a bag of money wishes to obtain a bag of diamonds. He and a diamond dealer are able to work out mutually agreeable terms. However, for some reason, the trade must take place in secret. Each must simultaneously leave his bag at a different spot in the woods. By cooperation, each can obtain something he values, the Reward (R). But there is always the Temptation (T) to get something for nothing, and leave the other fellow with the Sucker's Payoff (S), an empty bag in exchange for a full one. If both parties "defect," both will get an empty bag, the Punishment (P). If they both know that they will never have to deal with each other again, each could arrive, by impeccable logic, at the conclusion that he would be better off leaving an empty bag, regardless of what the other does.

Introducing the prospect of an in-

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definitely large number of future encounters between the same individuals changes the situation dramatically. The supposed short term advantage of defection may be outweighed by the long term advantage of cooperation. While an authority would be required to enforce the contract in the first instance, for the iterated Prisoner's Dilemma, honesty becomes the best policy, to a large extent a self-policing one.

Axelrod set up an ingenious computer tournament in which the winner was the program amassing the largest number of points in a round-robin Prisoner's Dilemma of about 200 encounters. Entries were submitted by political scientists, economists, psychologists, biologists mathematicians, and computer scientists. At each encounter, two programs simultaneously decided to cooperate or defect. Each could remember the history of previous interactions with the other individual. For mutual cooperation, both were awarded three points (R). Mutual defection earned one point each (P). If just one program cooperated, it received no points (S), and its exploiter got five points (T). The winner was the simplest of all the rules: called TIT FOR TAT, it defected if and only if the other program had defected on the last previous encounter. Even more surprisingly, *all* of the eight top-ranking entries were "nice"; that is, they never defected first, at least not until near the end of the game. The "meanies," which tried to take advantage of the programs that cooperated, often by clever and devious methods, were defeated by a wide margin.

An evolutionary biologist, John Maynard Smith, extended the game to populations. A "community" of individuals using a TIT FOR TAT strategy cannot be successfully "invaded" by a group of "meanies," because the "natives" do so well when dealing with each other. On the other hand, a population of individuals that always behave treacherously *can* be "invaded" or can be "converted" by "nice" strategies, providing only that a large enough cluster of individuals is introduced so that the nice guys have a significant chance of meeting each other.

Axelrod draws some extremely significant conclusions: "Mutual cooperation can emerge in a world of egoists without central control by starting with a cluster of individuals who rely on reciprocity." Furthermore, he notes that our robust hero TIT FOR TAT is not envious. It cannot receive more points than any rival in a series of encounters, and is frequently defeated, though not by much. Its success results from eliciting cooperative behavior from other players using many different strategies. Besides being "nice," TIT FOR TAT is "forgiving"—it retal-

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iates only once for each episode of defection, minimizing the chance of an unending "feud." However, its "provocability" is essential for deterring "bullies." Strategies that are too forgiving, or do not retaliate immediately, are unable to survive in a hostile environment.

The possibility of cooperation depends on the rules of the game. The foundation of cooperative relationships is not necessarily trust, but durability; future encounters must be anticipated. Furthermore, the payoff matrix must reward mutual cooperation; that is, unlike chess, Prisoner's Dilemma is not a zero-sum game.

Although Axelrod explores many different applications of his findings, from biological evolution to arms control, one might wish he had speculated on the implications of current trends in society, especially in his own field of political science. The drift toward a planned economy is altering the payoff equations. The shift from individual to collective responsibility tends to diminish the "shadow of the future." The concept of life as a zero-sum game reduces the Reward. Rapid, arbitrary changes dictated by the legislature, the courts, and the bureaucracy can increase the Temptation, while also discounting the reliability of future rewards. All these changes tend to destroy the conditions necessary for spontaneous cooperation. Not surprisingly, they are accompanied by pressures for more regulation. Just as in the single-round version of Prisoner's Dilemma, in a socialist economy it is always advantageous to cheat (if not essential for survival).

Besides being profoundly important for all the social sciences, this work is a delight, and even an inspiration, to read. For scholars, it has nearly 200 references, and for those who remember some algebra, there are proofs in the appendix. Yet all with a high school education should be able to follow the lucid, elegantly simple argument.

FREE MARKET ENERGY: THE WAY TO BENEFIT CONSUMERS
edited by S. Fred Singer
(Universe Books, 381 Park Avenue South, New York, N.Y. 10016), 1984
430 pages • $19.95 cloth, $8.95 paperback

THE RESOURCEFUL EARTH
edited by Julian L. Simon and Herman Kahn
(Basil Blackwell, 432 Park Avenue South, Suite 1505, New York, N.Y. 10016), 1984
585 pages • $19.95 cloth

Reviewed by Brian Summers

THESE two anthologies, sponsored by The Heritage Foundation, are an effective rebuttal to the widely held belief that the world is running out

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of scarce resources. Drawing on history, economics, and the natural sciences, the more than two dozen academic authors present compelling arguments that market processes, if unhampered by government intervention, will alleviate any resource shortfall and eventually lead to higher living standards.

Free Market Energy concentrates on our nation's energy needs, and how best to deal with unreliable foreign sources. The authors examine U.S. policy toward coal, natural gas, domestic and imported oil, nuclear power, and alternate energy technologies. If government involvement in energy production were reduced, the authors contend, energy costs could be cut, U.S. dependence on oil imports reduced, national security enhanced, and taxes lowered. By any standard, the American consumer would benefit from a free and open market.

The Resourceful Earth is more wide-ranging, covering such topics as population trends, agricultural prospects, soil erosion, water supplies, species extinction, deforestation, fish harvests, climatic trends, mineral reserves, as well as energy and environmental issues. By extrapolating current trends, and taking into account how consumers and entrepreneurs adapt to changing market prices, the authors show how the incentives inherent in an unhampered market lead to less pollution, less crowding, greater ecological stability, and reduced vulnerability to resource-supply disruptions. As long as markets are relatively free, the authors conclude, our prospects for future prosperity are virtually unlimited.

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Each of these brief messages is a handy way to share with friends, teachers, editors, clergymen and others a thought-starter on liberty. It also serves to introduce the reader to our work at FEE.

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THE FREEMAN—Volume 34, January–December 1984

Prepared by BETTINA BIEN GREAVES of the Foundation staff

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